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Human resources management

Streamlining United Nations contractual arrangements

Report of the Secretary-General

Summary

The present report is submitted in response to the requests of the General Assembly in its resolution 61/244, section VI, paragraphs 4 and 5. The report also addresses the observations of the International Civil Service Commission on the proposed contractual arrangements.

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I. Background

1. The 2005 World Summit reaffirmed the role of the Secretary-General as the chief administrative officer of the Organization and requested him to make proposals to the General Assembly on the conditions and measures necessary for him to carry out his managerial responsibilities effectively (General Assembly resolution 60/1, para. 162). The proposals of the Secretary-General were initially presented in his report entitled "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692 and Corr.1) and the details of the proposed new human resources framework were elaborated in his report entitled "Investing in people" (A/61/255, and A/61/255/Add.1 and Corr.1). The proposals for an integrated human resources framework are based on the principles of flexibility, clear ethical standards, equitable treatment of staff, simplicity, transparency and accountability, and emphasize the need to integrate Headquarters and field staff into one global Secretariat.

2. An essential component of the new human resources framework is the Secretary-General's proposal to introduce one United Nations staff contract, which would govern the terms of employment for all United Nations Secretariat staff and streamline contractual arrangements by providing for three types of appointment: temporary, fixed-term and continuing. They build on previous proposals of the Secretary-General to simplify contractual arrangements (see A/55/253 and A/59/263/Add.1) and take into account the framework for contractual arrangements in the organizations of the United Nations common system adopted by the International Civil Service Commission (ICSC).[1] In section I.B of its resolution 61/239, the Assembly noted with appreciation the work of ICSC on the framework for contractual arrangements.

3. The proposal for a new contractual framework is intended to adapt current contractual arrangements to the changing operational needs of the Organization, to promote equality of treatment for all Secretariat staff and to streamline contractual arrangements, thereby enabling the Organization to systematically manage staff across programmes and duty stations and to respond more effectively to new and increasingly complex mandates.

4. In its resolution 61/244, the Assembly noted that the existing system of contractual arrangements did not fully comply with the framework proposed by ICSC, and stressed the need for rationalization of the current United Nations system of contractual arrangements, which lacked transparency and was complex to administer. The present report is submitted in response to the requests by the Assembly in section VI, paragraphs 4 and 5 of its resolution 61/244, that the Secretary-General address the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions on human resources management (A/61/537, paras. 49-56), and present a detailed road map on the implementation of the proposed contractual arrangements, including on eligibility criteria.

5. The present report also addresses the recent observations made by ICSC on the contractual arrangements proposed by the Secretary-General, where ICSC elaborates

[1] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 30* and corrigendum (A/60/30 and Corr.1), annex IV.

on several elements of its contractual framework.[2] The Secretary-General will need to consider those elements further, in consultation with United Nations staff during the upcoming session of the Staff Management Coordination Committee. The United Nations offices, funds and programmes governed by the Staff Regulations and Rules of the United Nations will also be consulted to ensure that their specific needs are fully taken into account, and that human resources policies and practices are harmonized to the greatest possible extent, as recommended by the High-level Panel on United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment (see A/61/583). Following the consultations, the Secretary-General will provide more detailed proposals on the elements for streamlined contractual arrangements to the Assembly at its sixty-second session.

II. Streamlining contractual arrangements under one set of Staff Rules

6. At present, the contractual framework used by the United Nations provides for different types of appointment in three series of Staff Rules: the 100, 200 and 300 series. The rationale for the Secretary-General's proposal to streamline contractual arrangements by replacing the different sets of Staff Rules with one set of Staff Rules is set out below, in response to the observation of the Advisory Committee that the proposal should be considered on its own merits and revisited in the light of General Assembly action on the recommendations of ICSC (A/61/537, paras. 49 and 52).

7. Initially, all staff served under one set of Staff Rules, now known as the 100 series. The first edition of the Staff Rules came into effect on 1 July 1948. The 200 series was introduced in 1954 for specialist personnel working on technical assistance projects. Subsequently, the 300 series was introduced, with effect from 1 July 1955, to cover staff specifically engaged on short-term appointments for conferences and other short-term service at Headquarters. The 400 series was introduced in 1955, applicable to dispatchers and guides in the Visitors Service at Headquarters. In 1978, the 400 series was abolished and dispatchers and guides were subsequently covered by the 100 series. The 300 series was expanded in 1994 to include appointments of limited duration for the recruitment of non-career staff in peacekeeping, peacebuilding and humanitarian missions, technical cooperation in the field and emergency situations. Staff recruited under the limited-duration 300 series serve for up to three years, with a possible exceptional extension for a fourth and final year.

8. For the 30,548 Secretariat staff members in service at 30 June 2006,[3] the following contractual arrangements apply:

- 19,141 staff members serve on 100-series appointments (This number includes 1,543 international staff appointed to special missions serving under a fixed-

[2] Ibid., *Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1).

[3] The total includes internationally and locally recruited staff. It excludes United Nations international and local staff administered by the United Nations Development Programme and the United Nations Office for Project Services (approximately 1,500); staff in the tribunals (approximately 2,200); staff on special leave without pay (144); and staff on secondment to other entities (74).

term mission appointment granted after completing four years under 300-series appointments of limited duration. Such appointments are limited to service with a specific mission, with no entitlement to post adjustment, assignment grant, mobility and hardship allowance or related entitlements.)

- 1,163 staff members serve on 200-series appointments
- 9,020 staff members serve on 300-series appointments of limited duration
- 626 staff members serve on 300-series short-term appointments
- 598 staff members serve on 300-series "when actually employed" appointments

9. The continued use of the 200 and 300 series was reviewed by the United Nations in the light of accumulated experience showing that they no longer serve the purposes for which they were originally introduced. The 200 series was introduced to accommodate the special needs of technical cooperation projects, many of which were expected to be of short or medium duration, and were funded through extrabudgetary sources. However, there is no longer a clear linkage between the nature and duration of functions and the mode of financing. The exponential growth of extrabudgetary funding in the Secretariat for core activities has now led to an increase in 200-series appointments for staff in a variety of functions, many of whom now discharge core functions and serve at established duty stations and field offices, often side by side with 100-series staff members. Moreover, there are no formal recruitment procedures to ensure an open and competitive process, nor are there any clear means of career advancement for 200-series staff, some of whom have been in service for extended periods and are "reclassified" through informal processes.

10. Appointments of limited duration under the 300 series have not yielded the benefits anticipated when they were introduced. They no longer meet the intended purpose of facilitating rapid recruitment and streamlining the administration of staff. Over the years, safeguards have increasingly been introduced to ensure transparency and competitiveness in the recruitment process, and that recruitment follows the same standards and procedures as those applied throughout the Secretariat, the only difference being a review by a joint advisory body. Administering the compensation package has become increasingly complex as a result of improvements introduced to meet legitimate staff concerns and needs. Moreover, since appointments of limited duration do not provide adequate compensation or career prospects, their continued use has hindered the ability of the Organization to attract and retain the skilled experts, leaders and managers that it needs in large, multidimensional peace operations.

11. In the light of the serious shortcomings of the existing system, and in order to introduce a system that would assist the United Nations to fulfil its mandate and provide greater simplicity, clarity, transparency and fairness for all concerned, the Secretary-General proposed to streamline the three series of Staff Rules into a single series, which would allow for systematic management of staff across programmes and duty stations, thereby allowing the United Nations to respond more effectively to its mandates.

12. A single series of Staff Rules would also promote the equitable treatment of staff members by ensuring that their conditions of service are governed by the same criteria. The multiplicity of contractual arrangements creates different categories of

staff members. At established duty stations and in the field, staff serving side by side and performing the same functions for comparable periods of time receive different entitlements depending on the series of Staff Rules under which they were appointed. These differences will become more pronounced as the mobility policy is implemented and the movement of staff between Headquarters and the field increases. Such a situation fosters a sense of inequality and undermines staff morale, making it difficult to attract and retain staff of the highest calibre to fulfil the full range of mandates entrusted to the Secretariat.

13. Finally, introducing one set of Staff Rules would simplify the contractual framework, thereby making it easier and more cost-efficient to administer, and more transparent for staff members. Maintaining multiple and complicated contractual arrangements creates difficulties in administration and opens significant potential for administrative error, as it requires an in-depth knowledge of the various sets of Staff Rules and knowledge of the differences between them. Simplified contractual arrangements would also greatly facilitate the development and implementation of the upcoming enterprise resource planning system.

Observations by the International Civil Service Commission

14. In its 2005 report, ICSC noted that its framework was to be executed through each organization's staff regulations and rules that set out the conditions of service.[1] In its recent review of the Secretary-General's proposals, ICSC welcomed the efforts of the Secretary-General to streamline the Secretariat's existing framework under one set of Staff Rules (A/61/30/Add.1, paras. 3-4).

III. Streamlining contractual arrangements with three types of appointment

15. Under the three existing series of Staff Rules, the following types of appointment are possible: probationary, fixed-term, indefinite and permanent appointments under the 100 series; short-term, intermediate and long-term appointments under the 200 series; and short-term and limited-duration appointments under the 300 series. The Secretary-General proposed replacing these arrangements with three types of appointment: temporary, fixed-term and continuing.

16. In its report, the Advisory Committee noted that the "replacement" of permanent contracts, as discussed in the Secretary-General's proposal, should be understood as the "introduction" of continuing contracts (A/61/537, para. 49). As explained by the Secretary-General in his report, staff members who currently hold permanent appointments would continue to hold them. Furthermore, staff members who, by the time the change becomes effective, have an acquired right under existing rules to be considered for permanent appointment would be given such consideration (A/61/255, para. 247). The reference in the proposal to the "replacement" of permanent appointments with continuing appointments, instead of the "introduction" of continuing appointments, is made to emphasize that continuing appointments would not simply be created as a new category of appointments in addition to permanent appointments, but would be granted in the future instead of permanent appointments. Accordingly, the Secretary-General confirms the understanding of the Advisory Committee on the introduction of continuing appointments.

Rationale

17. The rationale for the three types of appointment, including the introduction of continuing appointments in the Staff Rules, is explained in the paragraphs below, in response to the Advisory Committee's observation that this proposal should be considered on its own merits (A/61/537, para. 49).

18. The Secretary-General's proposal to reduce the number of types of appointment to three was intended to conform with the ICSC framework for contractual arrangements, which also provides for appointments of those durations. The use of only three types of appointment would be easier to understand by all concerned and would improve the equity and transparency of the system.

19. The contractual arrangements used by the United Nations must also have the flexibility to accommodate the operational needs of the Organization. Permanent appointments do not have that flexibility, since current rules on the termination of permanent appointments do not recognize a number of legitimate considerations, such as the changing needs, functions and mandates of the United Nations or the reorientation of its programmes, unless they result in the abolition of posts or reduction of staff rather than the redeployment of resources. The interest of the Organization is not a relevant consideration for terminating a permanent appointment, unless the termination is agreed with the staff member. The introduction of continuing appointments, which would allow for termination on the same grounds as permanent appointments, and be in the interest of the good administration of the Organization, would therefore provide a mechanism for the Organization to grant career appointments to long-serving staff who have demonstrated the highest standards of efficiency, competence and integrity, while at the same time ensuring that the Organization does not bear an undue burden despite the changing needs, functions and mandates of the United Nations or the reorientation of its programmes.

20. In connection with terminations in the interest of the good administration of the Organization, the Advisory Committee requested the Secretary-General to clarify which opportunities for redress would be proposed under the new system (A/61/537, para. 54). The Secretary-General reiterates that the staff member concerned would be given the opportunity to review the recommendation and supporting documentation and to provide comments to the Assistant Secretary-General for Human Resources Management before a final decision is made. A decision by the Assistant Secretary-General for Human Resources Management to terminate a continuing appointment would constitute an administrative decision that is subject to appeal, pursuant to chapter XI of the Staff Rules. Under current staff rule 111.2 (c) (i), a staff member may also request a suspension of action on the decision by writing to the Secretary of the Joint Appeals Board.

21. Finally, the introduction of continuing appointments for a substantial number of staff members would considerably reduce the administrative burden of processing thousands of renewals of fixed-term appointments when they reach expiration date, thereby allowing human resources professionals to devote more time and effort to other matters, such as the management of mobility, career and staff development and monitoring the exercise of delegated authority in human resources matters.

Observations of the International Civil Service Commission

22. ICSC considered that the Secretary-General's proposal to limit fixed-term or continuing appointments to particular projects or missions would create additional types of appointment, resulting in five rather than three. Accordingly, it concluded that the proposal was not aligned with the ICSC framework, which allowed for only three types of contract. The Secretary-General wishes to clarify that his proposal was intended to be in line with the ICSC framework and that the proposal for limiting appointments was only made to address the need for fiscal prudence when employing staff for projects and missions with clearly finite mandates.

23. ICSC also expressed the view that the approach proposed by the Secretary-General for granting continuing appointments would not involve a competitive process and would be tantamount to automatic conversion, because every staff member would have an expectation of conversion to a continuing appointment after five years of service and satisfactory performance ratings. The Secretary-General does not concur with the ICSC assessment. Five years of continuous service with the Organization would serve only to establish that the staff member is eligible for consideration for a continuing contract (A/61/255, para. 247). Before the staff member could be granted a continuing contract, two further criteria must also be satisfied: (a) that there is a continuing need for the services of the staff member in the same department or elsewhere in the Organization; and (b) that the staff member has demonstrated the highest standards of efficiency, competence and integrity, as documented by his or her performance evaluations. In its resolution 61/244, the General Assembly requested the Secretary-General to provide further details on eligibility criteria. The details of the criteria will be elaborated separately by the Secretariat and by the separately administered funds and programmes in accordance with their respective operational needs. As regards the criteria applicable to the Secretariat, they will be developed in consultation with staff representatives in the upcoming session of the Staff Management Coordination Committee.

24. Finally, ICSC raised other issues that reflected a different understanding of its contractual framework, as originally presented in 2005. The issues will require further examination and consultation with staff representatives and the separately administered funds and programmes.

IV. Conclusions and recommendations

25. An essential component of the new human resources framework is the proposal to introduce a single staff contract providing for three types of appointment — temporary, fixed-term and continuing appointments — in accordance with the ICSC framework. Those streamlined contractual arrangements would provide the flexibility needed to respond to the changing operational needs of the Organization, promote equality of treatment for all United Nations Secretariat staff and simplify the administration of contracts.

26. The Secretary-General welcomes ICSC endorsement of the proposal to streamline contractual arrangements by using one set of Staff Rules. He further agrees with ICSC that the objectives of streamlining contractual arrangements could be achieved within the simple structure of three types of appointment outlined in the ICSC framework for contractual arrangements.

27. In its recent report, ICSC raised a number of issues relating to the details of the fixed-term and continuing appointments that will require further examination and consultation with staff representatives and the separately administered funds and programmes. The Secretary-General will submit the results of those consultations and details on the three types of appointment in a report to the General Assembly at its sixty-second session.

28. In that report, the Secretary-General will also respond to the request of the Advisory Committee for detailed information on the financial implications of the reform beyond 2007 and more complete analysis of the impact of the review of staff members with an acquired right to consideration for conversion to permanent appointments, including possible options to avoid exceeding the 70 per cent level mandated by the Assembly in its resolution 51/226, section V, paragraph 2 (A/61/537, paras. 51-52 and 55). The Secretary-General will also respond to the request by the Assembly for a detailed road map on the implementation of the proposed contractual arrangements.

29. **The General Assembly is requested to approve, in principle, the streamlining of United Nations contractual arrangements under one set of Staff Rules, with three types of appointment, namely, temporary, fixed-term and continuing. The Secretary-General will present details of the appointments to the Assembly at its sixty-second session.**